

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 06039 120940Z

12

ACTION EA-07

INFO OCT-01 ISO-00 EB-05 XMB-01 DRC-01 RSC-01 /016 W

----- 116396

P R 120838Z SEP 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 5881

INFO USDOC WASHDC

LIMITED OFFICIAL USE SEOUL 6039

USDOC FOR MAJOR PROJECTS

STATE PASS EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, TECH, ENRG, KS

SUBJECT: KOREA SECOND NUCLEAR POWER PLANT, KORI II

REF: (A) SEOUL 5794; (B) SEOUL 5751

1. EMBASSY RECEIVED VISIT FROM WESTINGHOUSE REPRESENTATIVES DAVID R. HAMZAVI AND L.F. COCHRUN, RESPECTIVELY KORI II CHIEF NEGOTIATOR AND POWER SYSTEMS COMMERCIAL DIRECTOR FOR KOREA. BOTH MEN RETURNED TO KOREA ON SEPTEMBER 9 TO RESUME KORI II NEGOTIATIONS. WE INFORMED THEM OF CONCERN EXPRESSED BY KOREANS (KECO, BLUE HOUSE STAFF, EPB OFFICIALS) ABOUT BOTH KORI II NEGOTIATIONS AND EXIM FINANCING FOR KORI II.

2. HAMZAVI SAID EXPLANATION FOR TEMPORARY WITHDRAWAL FROM NEGOTIATIONS IN AUGUST WAS SIMPLY THAT A WESTINGHOUSE TOP EXECUTIVE UPON LEARNING HOW CLOSE TO CONCLUSION THE KORI II TALKS WERE, HAD INSISTED ON AN OPPORTUNITY TO REVIEW THE ENTIRE PACKAGE BEFORE PROCEEDING. HAMZAVI INDICATED WESTINGHOUSE HAD BEEN "BURNED" ON RECENT SIMILAR NEGOTIATIONS AND INDICATED THIS WAS THE REASON FOR SUCH HIGH-LEVEL SENSITIVITY TO PRESENT NEGOTIATION PROCEDURES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 06039 120940Z

3. NEGOTIATIONS BETWEEN WESTINGHOUSE AND KECO ARE UNDERWAY AGAIN AND BOTH REPRESENTATIVES FELT NEGOTIATIONS COULD BE CONCLUDED WITHIN A FEW WEEKS. HAMZAVI HELD OUT SLIM POSSIBILITY THAT SETTLEMENT ANNOUNCEMENT COULD BE MADE BY KECO PRESIDENT MIN, CHOONG SIK DURING HIS ATTENDANCE AT WORLD ENERGY CONFERENCE SEPTEMBER 23-27 (REF B).

4. MAJOR CONCERN OF WESTINGHOUSE REPRESENTATIVES WAS STATUS OF EXIM FINANCING FOR KORI II NOW THAT ROKG APPROVAL AND SIGNING OF CONTRACT APPEARS IMMINENT. (KOREAN CONCERN REPORTED REF A.) HAMZAVI STATED INTENTION TO CONTACT AMBASSADOR HABIB IN HIS NEW POSITION AND ATTEMPT TO DIRECTLY ENLIST HIS ASSISTANCE IN FACILITATING EXIM ACTION ON SUBJECT LOAN REQUEST.

5. EMBASSY REALIZES PROJECT OF THIS SIZE MAY BE DIFFICULT TO ACT ON IN CHAIRMAN CASEY'S ABSENCE. PROBLEM HERE IS THAT WITH LACK OF ANY CONCRETE INFORMATION FOR EMBASSY TO OFFER, KOREAN RUMOR MILLS MANUFACTURE INFORMATION. EMBASSY WOULD APPRECIATE ON PRIORITY BASIS WHATEVER INFORMATION IS AVAILABLE WASHINGTON FOR EMBASSY ANSWER TO WESTINGHOUSE AND ROKG QUERIES.
ERICSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR POWER PLANTS, BANK LOANS, NEGOTIATIONS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL06039
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740254-0722
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740951/aaaabrgh.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) SEOUL 5794; (B) SEOUL 5751
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 06 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <13 MAR 2003 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KOREA SECOND NUCLEAR POWER PLANT, KORI II
TAGS: EFIN, TECH, ENRG, KS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005